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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 3, 2016

Doug Eskelson
3rd Little Pig Construction LLC
6772 South Shenandoah Park Avenue
Murray, Utah 84121

Subject: Reclamation Surety Required, 3rd Little Pig Construction, Timber Creek Mine, S/013/0019, Duchesne County, Utah

Dear Mr. Eskelson:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on March 2, 2016, is complete **with the exception of the cultural resource survey and the reclamation bonding requirement**. The required reclamation surety is \$8,000 for a three-year escalation (until 2019) or \$8,200 for a five-year escalation (until 2021). This was determined based on information in the following table.

Small Mine Operation Bond Calculation Worksheet S/013/0019			
3-year escalation (2019)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	0	\$5,000.00	\$0.00
Mob/demob 51-100 miles	0	\$1,500.00	\$0.00
Mob/demob 101-150 miles	0	\$2,900.00	\$0.00
Portal Closure	0	\$2,000.00	\$0.00
Shaft Closure	0	\$3,000.00	\$0.00
TOTAL			\$8,000.00
5-year escalation (2021)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	0	\$5,100.00	\$0.00
Mob/demob 51-100 miles	0	\$1,500.00	\$0.00
Mob/demob 101-150 miles	0	\$3,000.00	\$0.00
Portal Closure	0	\$2,000.00	\$0.00
Shaft Closure	0	\$3,000.00	\$0.00
TOTAL			\$8,200.00

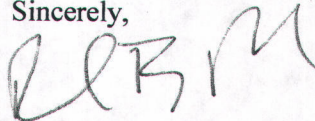
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Please submit the reclamation surety and reclamation contract by March 11, 2016. Please submit the cultural resources survey by April 3, 2016. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. A cash surety **must** be accompanied with a W9 form for domestic companies or a W8 form for foreign companies or the money will not be accepted as a surety and will be returned. The W9 form is available on the Internal Revenue Service web site at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>. The W8 form is also available from the IRS. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement.

Please contact Leslie Heppler at 801-538-5257 or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number S/013/0019.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: lah: eb

Cc: Brandon Eskelson; 14812 South Castle Valley Drive; Bluffdale, Utah 84065
Mike Hyde, Duchesne County (mhyde@duchesne.utah.gov)
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